

July 26, 2010

Joe Hurd
Senior Director
Trade Promotion Coordinating Committee
U.S. Department of Commerce
Room C102
1401 Constitution Avenue, N.W.
Washington, DC 20230

Re: Export Promotion Initiative (Docket No. 100624279-0279-01)

Dear Director Hurd:

I am writing on behalf of Levi Strauss & Co. (LS&Co.) in response to the June 30, 2010 *Federal Register* notice requesting public comment on the President's National Export Initiative (NEI).

LS&Co. is one of the world's leading branded apparel companies, marketing its products in more than 100 countries worldwide. The company designs and markets jeans-related pants, casual and dress pants, shirts, jackets and related accessories for men, women, and children under the Levi's®, Dockers®, and Signature by Levi Strauss & Co.™ brands. Based in San Francisco, California, LS&Co. is a global corporation with roughly 11,000 employees worldwide.

As a truly international company, LS&Co. has vast experience managing a complicated supply chain and our finished products and raw material inputs are traded around the world. Moreover, as a company operating in a highly competitive market sector, we are acutely aware of the need to control costs in our sourcing operations, which can often make or break export opportunities.

We believe that the Administration's proposed NEI could be quite helpful in expanding trade opportunities for both large and small companies alike. In order to maximize the initiative's effectiveness, we would like to suggest that the Commerce Department focus on the following priorities.

Cutting tariffs, lowering customs barriers and improving transparency

Many countries, including the United States, continue to maintain high tariff barriers in the textile and apparel sector as well as other sectors of their economies, which act as a direct impediment to exports by increasing costs to market. A key goal of the NEI should be to work with U.S. trading partners to reduce or eliminate these tariff barriers on a reciprocal basis, whether that be through bilateral trade negotiations, multilateral trade talks, preference programs or all three. Eliminating tariff barriers throughout the international trading system will not only help U.S. exporters, but will also help U.S. manufacturers who rely on imported raw material inputs to produce finished products destined for export and for the U.S. market.

Along with tariff elimination, the NEI provides an excellent opportunity to address onerous Customs procedures at the borders that can dramatically slow the trade in goods and limit the flow of exports and imports alike. The Administration should use the NEI to press U.S. trading partners to streamline procedures, reduce import costs and root out corruption in the Customs process.

Central to achieving this objective should be a concerted effort to improve the transparency of Customs procedures and trade rules throughout the world. Even for large companies like LS&Co., it can be very difficult to find accurate, up-to-date and comprehensive information regarding applied tariff rates, rules of origin and other requirements necessary for completing an export/import transaction. Small and medium enterprises (SMEs) find it even more difficult, often preventing them from taking advantage of export opportunities altogether. A goal of the NEI should be to enhance transparency in Customs procedures to maximize trade opportunities globally for large multinationals and SMEs alike.

Fortunately, an initiative within the Asia-Pacific Economic Cooperation (APEC) forum offers one model for how to move forward in this area on a global scale. LS&Co. has been working with officials at the Office of the U.S. Trade Representative (USTR) to advance an initiative to make accurate, up-to-date Customs information for all APEC member economies available on their respective Customs portals by the end of the year. This information would include data regarding applied tariff rates, preferential tariff rates and detailed rules of origin, among other elements. APEC ministers formally adopted this proposal last year and work is in process to complete the program on schedule.

Along with the government-to-government activity taking place in APEC, private sector companies are also in the process of developing a searchable database that would aggregate the Customs information provided by APEC member economies. As currently envisioned, this database would allow exporters to input a Harmonized Tariff Schedule (HTS) number for a particular product that would then generate a full range of information regarding tariff rates on that product in each of the APEC member economies, any preferential trade arrangements that might apply to that product in the region and the specific rules of origin required to take advantage of those preferences in each economy.

Under the auspices of the NEI, Administration involvement in this database initiative could significantly multiply the amount of trade in the region, particularly if the Government can provide a portion of the funding for the initiative. By establishing a public-private sector partnership to develop the database, it will be possible to provide access to the greatest number of exporters, including not only large companies that will pay for access to the database, but also SMEs, who could then access the information free of charge. If successful in APEC, we believe that, with Government assistance, the database could easily be expanded to cover all countries in the international trading system.

Creating a market access advisory committee

While LS&Co. can draw on considerable trade experience both from an export and import perspective, other stakeholders also have much to offer in terms of informing the most effective

course for U.S. export promotion. As a result, we would urge the Commerce Department to create a formal Market Access Advisory Committee as part of the NEI, which would serve as a kind of clearinghouse to solicit information on trade barriers worldwide. This Committee would build on the Industry Trade Advisory Committee (ITAC) system, of which LS&Co. is an active participant, by focusing exclusively on ways to aggressively address market access trade barriers.

The Committee would consist of members of the business importing and exporting communities, Customs and trade experts and governmental officials, providing a forum for constructive dialog on ways to improve market access throughout the international trading system. The Committee would complement the annual National Trade Estimates (NTE) report on barriers to U.S. exports by establishing a regular dialog on these concerns with U.S. trading partners on an ongoing basis. This approach has proven successful in Europe with its EU Market Access Advisory Committee, which has been reported to be effective in advancing trade opportunities for European companies in a range of market sectors.

Promoting U.S. branded goods as well as U.S.-made products

While LS&Co. firmly supports efforts to promote the export of goods made in the United States as an important engine of economic growth and jobs creation, we would urge the Commerce Department not to ignore the importance of imports in this equation. In that regard, we believe that the NEI should promote exports of U.S. branded products in addition to exports of U.S. made products. The third country trade activity of U.S.-based companies such as LS&Co. also creates jobs in the United States, just as direct exports of U.S. made products and we believe that the promotion of U.S. branded products, even if they are made outside the United States, should be a component of the NEI.

We also believe that U.S. imports should not be left out of the positive discussion on trade within the NEI. Trade is a two-way street with imports and exports going hand in hand. This can often be the case for U.S. SMEs that import raw materials to be used in finished products for export. As a result, we would urge the Commerce Department to use the NEI as an opportunity to highlight the importance of imports to the U.S. economy and jobs creation as part of the overall dialog to boost U.S. exports and promote freer trade around the world.

Thank you for this opportunity to provide comments on the NEI and please do not hesitate to contact me at (415) 501-3974 if you have any questions regarding our position on this issue.

Sincerely,

A handwritten signature in cursive script that reads "Helga Ying".

Helga Ying
Director, Worldwide Government Affairs and Public Policy